

ACTION AGENDA
Monday, September 28, 2015
Worksession
Committee of the Whole
Regular Meeting

WORKSESSION AGENDA

1. CALL TO ORDER, 4:00 P.M.

Mayor Pro Tempore Roberts called the meeting to order at 4:02 p.m.

Mayor Wythe and Councilmember Lewis have requested excusal.

Councilmember Zak has requested telephonic participation.

2. AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)

The agenda was approved by consensus of the Council.

3. STRATEGIC DOING

A. Visitor: Larry Persily, AKLNG Project Update

B. Deep Water Dock

Memorandum 15-161 from City Manager

4. COMMENTS OF THE AUDIENCE

There was one who commented.

5. ADJOURNMENT NO LATER THAN 4:50 P.M.

Mayor Pro Tempore Roberts adjourned the meeting at 4:36 p.m.

COMMITTEE OF THE WHOLE AGENDA

1. CALL TO ORDER, 5:00 P.M.

Mayor Pro Tempore Roberts called the meeting to order at 5:00 p.m.

Mayor Wythe and Councilmember Lewis have requested excusal.
Councilmember Zak has requested telephonic participation.

2. **AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)

The agenda was approved by consensus of the Council.

3. **Ordinance 14-18(A)**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.03.04, Definitions Used in Zoning Code, the Title of Homer City Code 21.58 and Homer City Code 21.58.010, Purpose and Application; and Enacting Homer City Code 21.58.040, ~~Communications~~ Tower Requirements; to Define and Establish Standards for ~~Communications~~ **Any** Towers. Zak.

Memorandum 15-159 from City Planner as backup.

4. **PRELIMINARY BUDGET ASSUMPTIONS**
Revenue Solutions: Town Hall Meeting Update

5. **CONSENT AGENDA**

6. **REGULAR MEETING AGENDA**

7. **COMMENTS OF THE AUDIENCE**

There was one who commented.

8. **ADJOURNMENT NO LATER THAN 5:50 P.M.**

Mayor Pro Tempore Roberts adjourned the meeting at 5:49 p.m.

REGULAR MEETING AGENDA

Session 15-29 a Regular Meeting of the Homer City Council was called to order on September 28, 2015 at 6:00 p.m. by Mayor Pro Tempore Francie Roberts at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: BURGESS, REYNOLDS, ROBERTS, VAN DYKE, ZAK
(telephonic)

ABSENT: LEWIS (excused)

STAFF:

CITY MANAGER KOESTER
CITY CLERK JOHNSON
ASSISTANT CITY MANAGER LAWRENCE
FINANCE DIRECTOR LI
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Mayor Wythe and Councilmember Lewis have requested excusal.

Mayor Pro Tempore Roberts ruled Councilmember Lewis' absence as excused and there was no objection from the Council.

Councilmember Zak has requested telephonic participation.

Councilmember Zak was allowed to participate by telephone.

Department Heads may be called upon from time to time to participate via teleconference.

2. AGENDA APPROVAL

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 1.24.040.)

The following changes were made: **RESOLUTIONS - Resolution 15-084**, A Resolution of the Homer City Council Adopting the 2016-2021 Capital Improvement Plan and Establishing Capital Project Legislative Priorities for State Fiscal Year 2017. Mayor/City Council. Written public comments. **Resolution 15-085(S)**, A Resolution of the Homer City Council Awarding the Sale of the Waddell Way Cabins to Guy Rossi of Homer, Alaska, in the Amount of \$92,789.91 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Memorandum 15-160(S) from Public Works Director as backup. **Memorandum 15-164**, from City Clerk, Re: Request for Executive Session Pursuant to AS 44.62.310(A-C)(1&5) Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Government Unit and Attorney/Client Privilege (Castner vs. City of Homer Proposal for Settlement). A second public comments period after Comments of the City Attorney was added.

The agenda as amended was approved by consensus of the Council.

3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

There was one who commented.

4. RECONSIDERATION

5. CONSENT AGENDA

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- A. Homer City Council unapproved Regular meeting minutes of September 14, 2015. City Clerk. Recommend adoption.
- B. **Ordinance 15-35**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 1.08.020, Enactment Procedures, to Authorize the Introduction of Ordinances by the City Clerk. City Manager. Recommended dates: Introduction September 28, 2015, Public Hearing and Second Reading October 12, 2015.
- C. **Resolution 15-082**, A Resolution of the City Council of Homer, Alaska, Expressing Support for the Pratt Museum's Grant Request in the Amount of \$1.65 Million for its New Facility. Reynolds/Roberts. Recommend adoption.
- D. **Resolution 15-083**, A Resolution of the Homer City Council Amending the 2015 Meeting Schedule for the December City Council Meeting to Be Held on December 7, 2015. Mayor. Recommend adoption.
- E. **Memorandum 15-156**, from Deputy City Clerk, Re: Confirmation of Election Judges for the Regular City of Homer Election October 6, 2015. Recommend adoption.
- F. **Memorandum 15-157**, from City Clerk, Re: Deferred Assessments for the Homer Natural Gas Special Assessment District. Recommend adoption.

The consent agenda was approved by consensus of the Council.

6. VISITORS

7. ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

- A. Borough Report

Assembly Member Kelly Cooper thanked the Council for allowing the Kenai Peninsula Borough Assembly use the council chambers for their September 15th meeting. At that meeting the Assembly approved the purchase of Homer Medical Center for South Peninsula Hospital. SPH owns the practice and now they have purchased the building. The Assembly has received a report from the Marijuana Task Force who continues to meet and give

feedback to the state board as the legislation comes along. The Health Care Task Force has started meeting monthly. They have representatives from the entire borough to include business people, two assembly members, Bill Smith, physicians, and the CEO's of both hospitals. There is a subcommittee for the primary care portion of health care reform. The meetings are open to the public and testimony is heard. The minutes are available on the borough website. The Assembly is continuing their review of the tax code. She is sympathetic to the Council and hears them and will do her best to help them meet their goals for the budget.

B. **Mayor's Recognition** - Alaska Recreation & Parks Association Day and ARPA's 40th Anniversary

Mayor Pro Tempore Roberts read the presented the recognition to Mike Illg, Community Recreation Coordinator.

Mike Illg announced the upcoming Alaska Recreation and Parks Association Conference in Homer October 7 – 10 at Land's End. Governor Walker and First Lady Donna will be in attendance.

C. **Mayor's Proclamation** – 2015 Breast Cancer Awareness Month

Mayor Pro Tempore Roberts read and presented the proclamation to Kachemak Bay Family Planning Clinic.

D. **Executive Proclamation by Governor Bill Walker** – First Responder Appreciation Day, September 27

E. **Prince William Sound Regional Citizens' Advisory Council** – Report by Robert Archibald

F. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
 - a. Minutes of August 19, 2015
3. Economic Development Advisory Commission
4. Parks and Recreation Advisory Commission

5. Port and Harbor Advisory Commission
6. Cannabis Advisory Commission

Don Stead, Cannabis Advisory Commissioner, reported the last packet was a compilation of all the regulations from the State. The CAC has compiled comments to provide to the State. The CAC will be starting on planning regulations. He referenced the map within council chambers that defines cannabis buffers around parks and schools and restricted areas the CAC plans to propose. Their focus has been keeping cannabis out of the hands of minors.

8. PUBLIC HEARING(S)

- A. **Ordinance 15-32**, An Ordinance of the Homer City Council Amending Homer City Code 7.04.030, Traffic Fine Schedules, and Homer City Code 7.06.020, Use of Jake Brakes Prohibited, to Substitute a Generic Term for the Trademarked Term “Jake Brake,” and to Prohibit the Use of Improperly Muffled Engine Brakes. City Manager. Introduction September 14, 2015, Public Hearing and Second Reading September 28, 2015.

There was no public comment.

ADOPTED without discussion.

- B. **Ordinance 15-33**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Code Blue Grant From the State of Alaska in the Amount of \$95,500 and Appropriating the Required Local Match in the Amount of \$84,500 for Replacement of Medic 1 and Authorizing the City Manager to Execute the Appropriate Documents. Burgess. Introduction September 14, 2015, Public Hearing and Second Reading September 28, 2015.

There was no public comment.

ADOPTED without discussion.

- C. **Ordinance 15-34**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a 2015 State Homeland Security Program Grant From the Division of Homeland Security and Emergency Management (DHS&EM) in the Amount of \$114,300 for a Backup Generator at the Homer Public Library and Authorizing the City Manager

to Execute the Appropriate Documents. City Manager. Introduction September 14, 2015, Public Hearing and Second Reading September 28, 2015.

There was no public comment.

ADOPTED without discussion.

9. ORDINANCE(S)

- A. **Ordinance 15-36**, An Ordinance Amending HCC 9.16.010 to Suspend the Dedication of 0.75% of the City Sales Tax to the Homer Accelerated Roads And Trails (H.A.R.T.) Program for a Period of Five Years, and Authorizing the City to Submit the Question of Suspending Such Sales Tax Dedication to the Qualified Voters of the City at a Special Election to Be Held in the City on _____. Mayor. Recommended dates: Introduction September 28, 2015, Public Hearing and Second Reading October 12, 2015.

AMENDED: To suspend The Homer Accelerated Roads and Trails Program for a Period Up to Three Years, and Include All Parallelling Language.

ADOPTED as AMENDED.

10. CITY MANAGER'S REPORT

- A. City Manager's Report
1. Memorandum 15-162 from City Attorney, Re: Election Issues

City Manager Koester thanked Councilmember Reynolds for the suggestions on making the public council packet better. She referenced the memorandum on contracting winter road maintenance with a private company. Stantec is the team of consultants working on the public safety building outreach. They are in town this week doing public outreach surveys at the grocery stores and will be hosting a public meeting Wednesday, September 30th from 5:30 p.m. to 7:00 p.m. in council chambers.

City Clerk Johnson reported with a successful election, candidates would be sworn in on October 20th and Councilmember Roberts would be leaving office after October 12th. Votes cast in the election will be divided in half with two seats. With six candidates we will compute the percentage each candidate receives. Each candidate will need 20% of votes cast to avoid the run-off.

11. CITY ATTORNEY REPORT

12. COMMITTEE REPORT

- A. Public Arts Committee
- B. Permanent Fund Committee
- C. Employee Committee Report
- D. Public Safety Building Review Committee
- E. Vessel Haul-Out Task Force
- F. Sustainable Animal Control Review Committee

13. PENDING BUSINESS

14. NEW BUSINESS

- A. **Memorandum 15-164**, from City Clerk, Re: Request for Executive Session Pursuant to AS 44.62.310(A-C)(1&5) Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Government Unit and Attorney /Client Privilege (Castner vs. City of Homer Proposal for Settlement).

Moved to be heard after Comments of the Audience.

15. RESOLUTIONS

- A. **Resolution 15-084**, A Resolution of the Homer City Council Adopting the 2016-2021 Capital Improvement Plan and Establishing Capital Project Legislative Priorities for State Fiscal Year 2017. Mayor/City Council.

Memorandum 15-158 from Assistant City Manager as backup.

AMENDED: Boat House Pavilion and Plaza on the Homer Spit added.

Multi-Use Community Center added.

Homer Senior Citizens, Inc. Alzheimer's Unit added as non-city project.

Marine Ways Large Vessel Haul-Out Facility removed.

Public Safety Building and East Boat Harbor added as to Federal priorities.

POSTPONED to October 12 for PUBLIC HEARING.

- B. **Resolution 15-085**, A Resolution of the Homer City Council Awarding the Sale of the Waddell Way Cabins to the Highest Bidder of Homer, Alaska, in the Amount of the Highest Bid and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director.

Memorandum 15-160 from Public Works Director as backup.

Resolution 15-085(S), A Resolution of the Homer City Council Awarding the Sale of the Waddell Way Cabins to Guy Rossi of Homer, Alaska, in the Amount of \$92,789.91 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director.

Memorandum 15-160(S) from Public Works Director as backup.

Substitute Resolution 15-085(S) ADOPTED without discussion.

- C. **Resolution 15-086**, A Resolution of the City Council of the City of Homer, Alaska, Calling for a Special Election to Be Held in the City on _____, for the Purpose of Submitting to the Qualified Voters of the City a Proposition to Suspend the Dedication of 0.75% of the City Sales Tax to the Homer Accelerated Roads and Trails (H.A.R.T.) Program for a Period of Five Years. Mayor.

Memorandum 15-163 from City Clerk and City Manager as backup.

AMENDED: 5 years to 3 years.

POSTPONED to October 12 to follow Ordinance 15-36.

16. COMMENTS OF THE AUDIENCE

There were two who commented.

17. NEW BUSINESS

- A. **Memorandum 15-164**, from City Clerk, Re: Request for Executive Session Pursuant to AS 44.62.310(A-C)(1&5) Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Government Unit and Attorney /Client Privilege (Castner vs. City of Homer Proposal for Settlement).

APPROVED.

Council adjourned to Executive Session at 7:32 p.m. and reconvened the meeting at 7:48 p.m.

Councilmember Burgess stated the Council met with the attorney to discuss the Castner case and gave guidance to our attorney on how to proceed.

The Council accepted Mr. Castner's settlement offer of \$42,500.

18. COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner was not present.

19. COMMENTS OF THE AUDIENCE

There was one who commented.

20. COMMENTS OF THE CITY CLERK

City Clerk Johnson announced the upcoming election on October 6th with the polls open from 7:00 a.m. to 8:00 p.m. Absentee voting is available at the Clerk's office Monday through Friday from 8:00 a.m. to 5:00 p.m. through election day.

21. COMMENTS OF THE CITY MANAGER

City Manager Koester thanked the students in attendance and announced the student seats available on the advisory boards. Applications are available at the City Clerk's office.

22. COMMENTS OF THE MAYOR

Mayor Pro Tempore Roberts thanked city council candidates Donna Aderhold, Heath Smith, Joni Wise, and Bob Howard for attending the meeting. She thanked the Homer High School government students for attending. If you are annexed by the City of Homer and pay property taxes you don't automatically get water and sewer. It is a special fund. Very few people heard the 4 p.m. meeting in which Larry Persily from the Kenai Peninsula Borough talked about the AKLNG project. There is a lot of information in the packet. It is a 10-year project that will bring between 8,000 to 9,000 people here. When Mr. Persily was queried about local hire, he indicated there was no local hire mandate. She asked the citizens to think of a state income tax since we let a lot of our resources depart the state for free. People are getting big salaries from projects such as this with no benefit to us.

21. COMMENTS OF THE CITY COUNCIL

Councilmember Van Dyke wished everyone a nice evening and thanked people for coming out.

Councilmember Zak complimented Francie for leading an excellent meeting and for sharing the input from Larry Persily on the AKLNG project. It is an important item that we need to stay abreast of. When he was arguing to move the public safety building down the list it would have been thinking in line of developing areas on the Spit to make it more useful. He is glad Larry Persily recommended someone from Homer attend the meetings to ensure our voice is heard that we are open for business. From a strategic standpoint we want to be considered in the logistics involved with the whole large deal that has huge impacts to the whole state.

Councilmember Reynolds will not be at the October meetings. She thanked Councilmember Roberts for nine years of thoughtful, caring leadership on the City Council and as Mayor Pro Tem. On a personal level, she has been a great mentor and colleague to her both with the Council and on the KBBI board. She hopes she enjoys the free time that opens up now that she doesn't have all the council work, even if she does have to stick it out through October. Unfortunately for us, Francie is leaving the council at a time when we would really benefit from her big picture view, attention to detail with numbers and dollars, and her understanding and compassion for our whole community. Homer and the State of Alaska are facing a fiscal crisis. Some of the conversations about budgetary cuts have started honing in on City staff, hours worked, pay rates and benefits, and on further cutting or reducing services. In the bigger picture and an aspect of current US economics very relevant to this discussion, here we are working hard against what seems like impossibilities at the local and state government level. But she thinks that the City and city residents' current fiscal problems are in large part caused by the national scene. National income and wealth inequalities are impacting us here at the end of the road. In 1999 the median U.S. household income adjusted to today's dollar was \$5,000 more than it is now. In Homer the difference between 1999 and 2013 was \$4,664 lower (\$42,500 in 1999 = \$59,536 adjusted to today's dollars, while the actual is \$54,872). In the past two years the 15 wealthiest people (that's fifteen individuals not 15% and two of them are the Koch brothers) have seen a combined increase in wealth of \$170 Billion. Their increase in wealth is more than what is owned by the bottom 40% of U.S. citizens. The increase in wealth for these 15 people is twice what is spent on nutrition programs that feed 40 million people across the country. Since 1995 the typical middle class U.S. family has experienced a 36% drop in income from \$130,000/year to \$81,000/year. The transfer of wealth from middle class and poor (which includes the vast majority of us here in Homer) to multi-millionaires and billionaires is unjust and obscene. In 1985 90% of the population held 36% of the nation's wealth, now that 90% holds just 23%. During the same period the top 1/10th of 1% saw their share increase from 10% to 22%. This is immoral and unsustainable, and is a huge part of what is undermining Alaskan individuals and the City of Homer and the State's economy. Our community members are feeling financially pinched, and have noticed that increasing over time. Repeatedly she hears that it's local costs and taxes that are blamed for the feeling of reduced personal and business financial capability. However, in recent years taxes from the City and Borough have been relatively static or have decreased, in fact the last tax increase was in 2005, a 1% sales tax increase. This was paired with a 1 mill rate property tax decrease in 2005. In 2006 the City passed the exemption for property tax on primary residences (on the first \$20,000 of assessed value). Households have also benefitted from the suspension of sales tax on non-prepared food items. Also, the Alaska

Permanent Fund Dividends have been significantly above average. Blaming hardship on local government is short-sighted and ultimately incorrect. The reason for our lower personal economic well-being and the reason it feels like our households have less disposable income is mostly a tale of national proportions. The dollar amounts we're paying attention to at the City of Homer are insignificant in comparison. The diminishing and reduction of services we are talking about will negatively impact all of us and will do so at the expense of our neighbors who work for the city. Economic development, both attracting new people and new business to move to Homer as well as enticing tourists to visit, relies on the City of Homer maintaining an attractive quality of life: including maintaining services at least at the level that they are currently. The Council and the City of Homer is seeking long-term solutions to resolve the budget shortfalls so the City will be sustainable and responsible...a huge part of long-term opportunity and stability is impacted by the national scene. Outside parties, and big oil companies sway our representatives in Washington and at the State level. Some candidates for City Council are advocating for slashing City services without truly understanding and considering the ramifications of their proposal. Some candidates are not acknowledging the severe cuts that have been in effect throughout the City of Homer in recent years. They are advocating for solving the current situation solely by a reduction in spending, presenting this as a solution that has not even been considered, let alone implemented, up to this point. This may sound appealing as an election platform, but has no grounding in reality and reflects a naivety especially when coupled with campaign promises to increase certain services.

Councilmember Zak expressed his objection to where this is going. Commenting on certain city council candidates is not appropriate.

Councilmember Reynolds apologized for her statements; she thought she was being broad enough by saying *some* candidates. It is important when we consider our options for President of the United States and the U.S. Senate and Congress over the next year and beyond, we need to make sure we don't vote against our own best interests. Here at the local level during our election on October 6th it is important to vote for candidates that recognize the complexities of the fiscal conundrum we face. She hopes everybody enjoys Homecoming this week, Go Mariners!, and the cross country are headed to state.

Councilmember Burgess expressed his appreciation at not having the longest closing comments. He supports a lot of what Catriona said. She is bold to say it and is feeling the burn as many of us are. If you want to look for dramatically cutting public services and public spending, check out Greece. He hears things are going really well over there with a complete gutting of social services and the collectively owned portions of the economy. People are really loving it and tourism is way up. Wealth is economic activity that stays in the hands of people. We need to consider investing in our core infrastructure, investing in the things that give us the means to generate economic activity locally. That includes roads, water, and sewer. If we simply stop funding these things, they are the avenue to long-term growth. Looking back at the history of this country, our greatest economic expansions and activity were when we invested in the infrastructure projects such as the Interstate Highway Act and

the CCC. When you invest in infrastructure and social capital it yields good dividends for society and that turnover is what has created an economic middle class and a wealthy class of people. There is a certain level of middle class economic activity below which doesn't sustain their vast corporate empires because there are no consumers to purchase the products manufactured thereby. Here at the end of the road we need to make sure the money stays here. If every economic activity we choose sends money out of Homer we are not creating a sustainable future for ourselves. He encouraged Catriona to talk about whatever she wants at a city council meeting. He appreciates the gentleman that came to speak to us about the LNG project and encouraged Katie to keep in contact with him and provide Council with regular updates. Don't be afraid to ask councilmembers to go up the road to advocate. Francie mentioned annexation water and sewer services; she is absolutely right. There is nothing about people outside the city who pay into water and sewer services directly. Councilmember Burgess moved to Homer right after annexation. There were lots of explicit and implicit promises to people in the annexed areas that when we annex you we are going to treat you like citizens of the city. There was a huge amount of discussion about bringing natural gas to Homer and that it was too expensive to bring to the outlying areas. It was suggested the gas just be brought to the core area. There were several people in support of that. The whole point of being in a city is to have the benefits of being in a city. It is not fair to pay the property taxes associated with being in a city and not receive the services. There is a lot more we can do with HART funds to improve road and trail access outside of the downtown core. People who are annexed and upset have a lot of right to be upset. As to Michael Armstrong's comments on the Executive Session, we are not going to adjourn to Executive Session unless there is a clear and essential need. It is unrealistic to constantly have to remind the public of the ins and outs of Robert's Rules of Order, of what we can and cannot do before our meeting. It is good to remind people that Council can adjourn into Executive Session at any properly noticed meeting. In his experience they would never do so unless there was a clear need to do so. He would like to encourage Mr. Castner to donate some of his awards to a local nonprofit of his choice. That might be a good use for those public monies. The single thing he will miss most about having Francie on council is the level of oversight and knowledge and detail she brings to the table. There are many times when nobody notices something very critical and Councilmember Roberts does. He admires that tremendously and will really miss her voice. She is getting out at the right time. Her expertise will be sorely missed.

22. ADJOURNMENT

There being no further business to come before the Council, Mayor Pro Tempore Roberts adjourned the meeting at 8:07 p.m. The next Regular Meeting is Monday, October 12, 2015 at 6:00 p.m. and Committee of the Whole 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.